



HOUSE OF REPRESENTATIVES

SB 1244

fire districts; wildland fires; budgets
Prime Sponsor: Senator Allen S, LD 6

DPA Committee on Military Affairs and Public Safety

DPA Caucus and COW

X As Transmitted to the Governor

OVERVIEW

SB 1244 makes changes to statute relating to merging and consolidating fire districts and the State Forester.

PROVISIONS

State Forester

1. Authorizes Budget Stabilization Fund (Fund) monies to be used to pay for valid claims for federal reimbursement by the State Forester.
2. States that Fund monies are to be continuously appropriated.
3. Includes claims for personnel hours, used supplies and reasonable and negotiated costs of damage to equipment that exceeds normal wear and tear to items that must be paid for by the State Forester if a claim for reimbursement is processed.
4. Requires the State Forester to certify a claim that is not reimbursed by a federal agency and stipulates that the State Treasurer must pay the claim from the Fund.
5. Requires the State Forester to reimburse the Treasurer within 45 days, if a federal agency makes payment on a claim.
6. Requires the Treasurer to deposit monies reimbursed by the State Forester back into the Fund.
7. Caps the amount permitted to be outstanding from the Rainy Day Fund at any time for the purposes of reimbursing valid claims related to wildland fire suppression services at \$10M.

Fire Districts

8. States that starting July 1, 2016, a consolidated district is prohibited from receiving more than the maximum allowable amount in Fire District Assistance Tax (FDAT) monies, without regard to whether the district is located in more than one county.
9. Specifies that the FDAT for any merged or consolidated districts formed in fiscal year (FY) 2014 or later is the sum average of the amount received in the five years immediately preceding the merger or consolidation.
10. Requires the county treasurer to pay a consolidated district formed in FY 2014 or later an amount equal to 20% of the property levy if the total amount of FDAT paid to all districts in

the county is less than the amount of monies raised by the \$0.10 levy per \$100 of assessed valuation.

11. Allows merged or consolidated districts to continue to receive monies in an amount not to exceed the allowable amount each district received at the time of the merger or consolidation.
12. Prohibits, beginning in FY 2017, a consolidated district from receiving more than the maximum allowed, rather than the current FDAT cap of \$400,000.
13. Authorizes a temporary 5-year budget override for the 2016 and 2017 general elections for Fire Districts. Sets the override tax rate limit at \$3.50 per \$100 of assessed valuation, rather than the current limit of \$3.25 per \$100 of assessed valuation.
14. Adds a retroactive effective date of June 1, 2016 for the portion of the bill relating to the 5-year budget override elections.
15. Contains a retroactive effective date of July 1, 2016.

Miscellaneous

16. Contains an emergency clause.
17. Makes technical and conforming changes.

CURRENT LAW

The Fire Suppression Revolving Fund is administered by the State Forester for the purposes of covering the costs of activities related to suppressing wildland fires on public and private lands as well as other unplanned all-risk activities such as floods, earthquakes, wind or hazardous material responses. Monies in the Fund are continuously appropriated to the State Forester, unless the unobligated balance of the Fund exceeds \$2 million at the end of a calendar year; the excess reverts to the state General Fund ([A.R.S. § 37-623.02](#)).

The Fund, also known as the Rainy Day Fund, was established in 1990 for the purpose of setting aside excess revenue for use during times of below-trend growth ([A.R.S. § 35-144](#)). The Fund is administered by the State Treasurer, who is responsible for transferring money into and out of the Fund.

The county board of supervisors is required to levy a FDAT not to exceed \$0.10 per \$100 of assessed valuation on the taxable property in the county. The county treasurer must pay each district an amount equal to 20% of the property tax levy adopted by the district for the FY. Beginning FY 2013, a consolidated district is prohibited from receiving more than \$400,000 in FDAT monies. If two or more districts merge to form a consolidated district and the total amount of FDAT received by each district is less than \$400,000, the consolidated district may continue to receive monies until it reaches \$400,000 ([A.R.S. § 48-807](#)).